

1 BEFORE THE
2 ILLINOIS COMMERCE COMMISSION

3 VERIZON NORTH INC.) DOCKET NO.
4 (F/k/a GTE North Incorporated) and) 00-0812
5 VERIZON SOUTH INC.)
6 (F/k/a GTE South Incorporated))
7 Petition Seeking Approval of Cost)
8 Studies for unbundled Network)
9 Elements, Avoided Costs and)
10 Intrastate Switched Access Services.)

11 Springfield, Illinois
12 November 3, 2005

13 Met, pursuant to notice, at 10:00 A.M.

14 BEFORE:

15 MR. MICHAEL WALLACE, Administrative Law Judge

16 APPEARANCES:

17 MR. MICHAEL GUERRA
18 Sonnenschein, Nath & Rosenthal
19 8000 Sears Tower
20 Chicago, Illinois 60606
21 Email: 5mg.sonnenschein.com

22 (Appearing on behalf of Verizon North
 Inc. And Verizon South Inc. Via
 teleconference)

 SULLIVAN REPORTING COMPANY, by
 Cheryl A. Davis, Reporter, CSR License #084-001662

 Sullivan Reporting Company
 Two North LaSalle Street Chicago, Illinois 60602
 (312) 782-4705

APPEARANCES:

(Cont'd)

MR. RANDALL VOGELZANG
600 Hidden Ridge
Irving, Texas 75015

(Appearing on behalf of Verizon North
Inc. And Verizon South Inc. Via
teleconference)

MR. JOSEPH D. MURPHY
306 West Church Street
Champaign, Illinois 61820
E-mail: Jmurphy@meyercapel.com

(Appearing on behalf of the Illinois
Rural Competitive Alliance via
teleconference)

MR. JAMES KELLER
P.O. Box 785
Marion, Illinois 62959

(Appearing on behalf of Marion Telephone)

MR. MICHAEL J. LANNON
160 North La Salle Street
Suite C-800
Chicago, Illinois 60601

(Appearing on behalf of the Staff of the
Illinois Commerce Commission)

MR. MATTHEW L. HARVEY
160 North La Salle Street
Suite C-800
Chicago, Illinois 60601

(Appearing on behalf of the Staff of the
Illinois Commerce Commission via
teleconference)

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By Judge Wallace 228

EXHIBITS	MARKED	ADMITTED
Verizon Phase 2 Exhibit 1	e-Docket	225
Staff Phase 2 Exhibit 1.0	e-Docket	226
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IRCA Phase 2 Exhibit 1.0	e-Docket	228
Marion Phase 2 Exhibit 1	e-Docket	230

1 PROCEEDINGS

2 JUDGE WALLACE: Pursuant to the direction of
3 the Illinois Commerce Commission I now call Docket
4 00-0812. This is the petition of Verizon North Inc.
5 And Verizon South Inc. Seeking approval of cost
6 studies for unbundled network elements, avoided
7 costs, and intrastate switched access services.

8 May I have appearances for the record,
9 please, starting with those in Springfield.

10 MR. LANNON: Appearing on behalf of the Staff
11 of the Illinois Commerce Commission, Michael Lannon,
12 L-A-N-N-O-N, and Matthew Harvey, H-A-R-V-E-Y, 160
13 North La Salle Street, Suite C-800, Chicago,
14 Illinois 60601.

15 MR. KELLER: Marion Telephone, Jim Keller,
16 President, 1309 Fossie Road, Marion, Illinois 62959.

17 JUDGE WALLACE: All right. Now everyone on the
18 phone. Let's start with Mr. Guerra.

19 MR. GUERRA: On behalf of Verizon North Inc.
20 And Verizon South Inc., Michael Guerra of the law
21 firm of Sonnenschein, Nath and Rosenthal, 8000 Sears
22 Tower, Chicago, Illinois 60606.

1 MR. VOGELZANG: Also on behalf of Verizon North
2 Inc. And Verizon South Inc., Randall Vogelzang, 600
3 Hidden Ridge, Irving, Texas 75015.

4 MR. MURPHY: On behalf of the Illinois Rural
5 Competitive Alliance, Joseph D. Murphy, 306 West
6 Church Street, Champaign, Illinois 61820, telephone
7 217/352-0030.

8 JUDGE WALLACE: All right.

9 Mr. Vogelzang, would you spell your name
10 for the court reporter, please?

11 MR. VOGELZANG: Sure. It's V, as in Victor,
12 O-G-E-L-Z, as in zebra, A-N-G.

13 JUDGE WALLACE: All right.

14 Are there any other appearances? Let the
15 record reflect there are none.

16 This is the wayward case of 00-0812.
17 We've continued it several times for the filing of
18 testimony. Testimony has been filed a couple of --
19 well, last week I guess. Mr. Keller has filed a
20 petition to intervene on behalf of Marion
21 Telephone. There were certain replies to that.
22 That petition has been granted and with the caveat

1 based upon the Commission's rules that Marion
2 Telephone does take the record as it stands, and as
3 it was standing we were filing testimony to resolve
4 I guess we're in Phase 2 of this case, and,
5 Mr. Keller, you have filed testimony on behalf of
6 Marion?

7 MR. KELLER: Yes, sir.

8 JUDGE WALLACE: Okay. And Staff, IRCA, and
9 Verizon have all filed testimony.

10 I have been out of the office for a few
11 days. I see when I got back there were some
12 e-mails. I have this bad habit that when I'm off I
13 don't check stuff, so Mr. Lannon unfortunately had
14 to visit sunny Springfield today.

15 I do not have any cross of the witnesses,
16 and I understand that the parties essentially agree
17 to no cross of other witnesses. Is that correct?

18 MR. LANNON: That's correct, Your Honor.

19 JUDGE WALLACE: All right.

20 MR. GUERRA: That's correct.

21 JUDGE WALLACE: Then we will -- Mr. Guerra, do
22 you want to identify your pieces of testimony?

1 MR. GUERRA: Sure, Your Honor. We would ask
2 for the admission of Verizon Supplemental Exhibit 1,
3 and if it could be marked as such. We ask for its
4 admission.

5 JUDGE WALLACE: Okay. Does this appear on
6 e-Docket?

7 MR. GUERRA: Your Honor, the testimony is on
8 e-Docket, but it does -- there was a little
9 confusion as to what we would number it and we
10 decided to number it Supplemental Exhibit 1. Is
11 that okay with you?

12 JUDGE WALLACE: Okay.

13 MR. GUERRA: Or we can also call it Phase 2
14 Exhibit 1.

15 JUDGE WALLACE: I didn't catch that last.

16 MR. GUERRA: I'm sorry, Judge. We can call
17 Phase 2 Exhibit 1, if you prefer.

18 MR. VOGELZANG: Actually it's Phase 2 and 3,
19 right, Mike?

20 MR. GUERRA: That's actually correct. I'm
21 sorry. Phase 2 and 3 Exhibit 1.

22 MR. LANNON: Your Honor, I think the resale

1 portion which we have also negotiated was going to
2 be separated out as Phase 3, so we're conflating
3 Phase 2 and 3 together here.

4 JUDGE WALLACE: Are we done then or is there a
5 Phase 4?

6 MR. VOGELZANG: No, I think we're done.

7 JUDGE WALLACE: It will be helpful when you do
8 speak if you'll identify yourself for the court
9 reporter until we learn to recognize your dulcet
10 tones.

11 Okay. Verizon Phase -- well, let's go
12 with Phase 2 Exhibit 1.

13 Now if this is on e-Docket and there have
14 been no changes, then we'll just go with the
15 e-Docket version.

16 MR. GUERRA: Yeah, no changes. The affidavit
17 is not, Judge, but we can certainly file the
18 affidavit on e-Docket this morning.

19 JUDGE WALLACE: Okay.

20 MR. GUERRA: Would you prefer that?

21 JUDGE WALLACE: That would be fine.

22 MR. GUERRA: Okay.

1 JUDGE WALLACE: Okay. Does Verizon have
2 anything else?

3 MR. GUERRA: No, Judge.

4 JUDGE WALLACE: All right. By agreement then,
5 Verizon Phase 2 Exhibit 1, the testimony of Phillip
6 J. Wood, is admitted.

7 (Whereupon Verizon Phase 2 Exhibit 1 was
8 received into evidence.)

9 JUDGE WALLACE: All right. Mr. Lannon.

10 MR. LANNON: Yes, Your Honor. Staff has two
11 pieces of testimony which were filed on e-Docket on
12 October 25th I believe. The first piece of
13 testimony is Mr. Koch's and it's Staff Exhibit 1.0.
14 It consists of six pages of Q and A, and attached to
15 the back is a verification.

16 JUDGE WALLACE: Mr. Koch. Okay. And we're
17 going to call that Phase 2 Staff Exhibit 1.0? Is
18 that all right?

19 MR. LANNON: That's correct, Your Honor.

20 JUDGE WALLACE: All right.

21 MR. LANNON: And then we have a piece of direct
22 testimony from Dr. James Zolnierrek. That's marked

1 as Phase 2 Staff Exhibit 2.0. Dr. Zolnierrek has
2 both confidential and public versions, and Staff
3 Exhibit 2.0 consists of six pages of Q and A and
4 also has a verification attached to the back of it.

5 JUDGE WALLACE: All right. And has there been
6 any disagreement over the confidential portion of
7 Dr. Zolnierrek's testimony?

8 MR. LANNON: Not that I'm aware of, Your
9 Honor.

10 MR. GUERRA: Nothing from Verizon, Your Honor.
11 Mike Guerra.

12 JUDGE WALLACE: All right. And then by
13 agreement then Staff Exhibit Phase 2 1.0 and Staff
14 Exhibit Phase 2 2.0 are admitted with the notation
15 that there exists a public version and a
16 confidential version of Staff Exhibit Phase 2 2.0.
17 The confidential version will be accorded
18 confidential status pursuant to the rules of the
19 Commerce Commission.

20 (Whereupon Staff Phase 2 Exhibits 1.0 and
21 2.0 were received into evidence.)

22 MR. LANNON: Thank you, Your Honor.

1 JUDGE WALLACE: Mr. Lannon, Mr. Koch did not
2 have confidential testimony also, did he?

3 MR. LANNON: No, he did not, Your Honor.

4 JUDGE WALLACE: All right. I must have gotten
5 or printed out multiple copies of stuff, so.

6 MR. LANNON: I've got plenty of copies with me.

7 JUDGE WALLACE: Well, I've got plenty too.

8 (Laughter).

9 And somehow I put Ms. Hathhorn and
10 Olusanyo's testimony in here too.

11 JUDGE WALLACE: All right. Mr. Murphy.

12 MR. MURPHY: Yes, Your Honor. The IRCA filed
13 testimony on October 25th that is captioned as the
14 Rebuttal Testimony of Jason P. Hendricks in Phase 2
15 and it should be marked IRCA Exhibit Phase 2 1.0.
16 It consists of six pages of questions and answers
17 with lines numbered up to line number 61. The IRCA
18 also filed this morning on e-Docket a declaration of
19 Jason P. Hendricks in support of that testimony and
20 would move to admit both into the record in this
21 docket.

22 JUDGE WALLACE: All right. Again, by agreement

1 and no objection, IRCA Phase 2 Exhibit 1.0 is
2 admitted.

3 (Whereupon IRCA Phase 2 Exhibit 1.0 was
4 received into evidence.)

5 JUDGE WALLACE: All right. Anything further
6 from IRCA?

7 MR. MURPHY: No, Your Honor.

8 JUDGE WALLACE: All right.

9 Okay. Mr. Keller, did you prepare an
10 affidavit or a declaration?

11 MR. KELLER: No, sir.

12 JUDGE WALLACE: All right. Would you raise
13 your right hand, please.

14 (Whereupon the witness was sworn by Judge
15 Wallace.)

16 JAMES KELLER
17 called as a witness on behalf of the Marion
18 Telephone, having been first duly sworn, was
19 examined and testified as follows:

20 EXAMINATION

21 BY JUDGE WALLACE:

22 Q. Would you state your name for the record,

1 please.

2 THE WITNESS:

3 A. James Keller.

4 Q. And your position.

5 A. President of Marion Telephone.

6 Q. And Marion Telephone has petitioned to
7 intervene in this matter?

8 A. Yes, sir.

9 Q. And that petition was granted?

10 A. Yes, sir.

11 Q. And you're filing testimony in accordance
12 with the schedule set earlier in this case?

13 A. Yes, sir.

14 Q. And you've submitted prefiled testimony on
15 October 25th?

16 A. Correct.

17 Q. And it's two pages of testimony?

18 A. Yes, sir.

19 Q. And then --

20 A. It's three pages of Attachment 1.

21 Q. Three pages of Attachment 1. Okay. And
22 the attachments consist of page 1 is a Southern

1 Illinois Rate Center. Page 2 is LATA 362 and LATA
2 978, and did you file this on e-Docket?

3 A. Yes, sir.

4 Q. All right. Do you have any changes to
5 make?

6 A. No.

7 Q. Any corrections to make?

8 A. No.

9 Q. And if you were to be asked these questions
10 again, your answers would be the same?

11 A. Yes, sir.

12 JUDGE WALLACE: All right then. Any
13 objection?

14 MR. LANNON: No objection from Staff.

15 JUDGE WALLACE: All right. We will label this
16 as Marion Telephone Phase 2 Exhibit 1, the Rebuttal
17 Testimony of James Keller, and it is admitted into
18 the record.

19 (Whereupon Marion Telephone Phase 2
20 Exhibit 1 was received into evidence.)

21 JUDGE WALLACE: All right. Mr. Keller, do you
22 have anything else to submit on behalf of Marion

1 Telephone?

2 MR. KELLER: No, sir.

3 JUDGE WALLACE: Okay.

4 Okay. That apparently takes care of all
5 the testimony to be submitted in this matter.

6 Did anyone want to write a brief on
7 this?

8 MR. GUERRA: Judge, this is Mike Guerra.

9 JUDGE WALLACE: Yes.

10 MR. GUERRA: I don't think briefing is
11 necessary. I'd certainly like to hear from the
12 other parties, but what we propose is that we file a
13 draft order with you.

14 MR. LANNON: Staff would agree with that.
15 Mike, I take it that would be an agreed-to draft
16 order?

17 MR. GUERRA: I would be happy to -- we have two
18 choices. One would be to circulate it or, you know,
19 if anybody wanted to comment on it they can comment
20 on it. I'd say we just circulate it and see where
21 we go.

22 MR. LANNON: That's fine with Staff. Staff

1 would like to at least review it.

2 MR. GUERRA: Okay.

3 MR. MURPHY: And the IRCA is fine with that
4 approach as well.

5 MR. KELLER: And Marion Telephone is fine with
6 that.

7 JUDGE WALLACE: All right. Mr. Guerra, you
8 will prepare a draft order and circulate it to all
9 the parties.

10 MR. MURPHY: Your Honor, to be clear, should he
11 circulate it to all the parties or to the active
12 parties who are participating in this hearing? And
13 I only note that because the service list given the
14 age of this case goes on and includes a lot of
15 people who are no longer employed by the companies
16 they are associated with.

17 MR. HARVEY: And I would add a lot of companies
18 that have done away with dodoes.

19 JUDGE WALLACE: Well, that's a good point. I
20 guess we'll just serve it on the usual suspects that
21 are at the hearing: Mr. Lannon, Mr. Murphy,
22 Mr. Harvey, Mr. Keller. I guess Mike can give it to

1 Mr. Vogelzang, so. Is there anyone else?

2 MR. LANNON: I think that should be it, Your
3 Honor.

4 JUDGE WALLACE: Yeah, let's drop off some of
5 those.

6 MR. MURPHY: Your Honor, if I can make a
7 suggestion. This is Joe Murphy. If Mr. Guerra
8 circulates it among the parties, the active parties
9 in this hearing, and ultimately submits it to you
10 and you then issue it as a proposed order to the
11 entire service list, anybody else who wants to
12 comment at that point, you know, will have an
13 opportunity under the Commission procedures.

14 JUDGE WALLACE: Right. I know that
15 Mr. Chorzempa from AT&T had some slight interest for
16 awhile, but I have not heard from him for a time
17 being.

18 MR. LANNON: Your Honor, I have talked to
19 Mr. Chorzempa not recently. However, the last time
20 I did talk to him his interest was in access
21 charges, which aren't a subject here, so I don't
22 believe he has an interest in Phase 2 of this --

1 Phase 2 or Phase 3 of this proceedings anymore.

2 JUDGE WALLACE: All right.

3 MR. LANNON: And of course AT&T and MCI's --
4 what is it? A merger with SBC and Verizon
5 respectively has just recently been approved by the
6 FCC and the DOJ.

7 JUDGE WALLACE: Okay. All right.

8 Now how much time would you like,
9 Mr. Guerra?

10 MR. GUERRA: Judge, two or three weeks would be
11 fine. I think we need time for me to write it and
12 also time for me to circulate it, so perhaps three
13 weeks from today. Randy, do you think that's --
14 what do you feel, Randy?

15 JUDGE WALLACE: I'd say four weeks.

16 MR. VOGELZANG: Yeah, I would say probably
17 close to three to four weeks, so four weeks would be
18 fine.

19 MR. LANNON: Four weeks is fine with Staff,
20 Your Honor.

21 JUDGE WALLACE: All right.

22 MR. GUERRA: And that will include time to

1 circulate it.

2 MR. MURPHY: Correct.

3 JUDGE WALLACE: And if that happens to be a
4 state holiday, you can put it over till the next
5 Monday.

6 MR. GUERRA: Okay.

7 MR. MURPHY: Four weeks would get us until --
8 sorry. I thought I had that down.

9 JUDGE WALLACE: Well, I'll tell you what.
10 Let's just say December 1st as a target day to get
11 the draft order around to everyone else and then a
12 week or so for the parties to either agree or
13 object. Okay?

14 MR. LANNON: That's fine with Staff, Your
15 Honor.

16 MR. GUERRA: Fine with Verizon, Your Honor.

17 JUDGE WALLACE: I have enough to do between now
18 and then so it won't hurt my feelings if you take a
19 little longer on this one.

20 And then to wrap it up, are the parties
21 -- can we close this docket out then?

22 MR. MURPHY: I think you can mark the record

1 Heard and Taken at this point, and once this order
2 is entered I think it can be a final order in this
3 docket.

4 JUDGE WALLACE: All right.

5 MR. HARVEY: Yeah. It might be advisable to
6 have a representation or a recital in the docket
7 that -- the proposed order that Phases 2 and 3 have
8 been sort of conflated, as Mr. Lannon put it, and
9 that, you know, this order is therefore a final
10 order.

11 JUDGE WALLACE: Okay.

12 MR. GUERRA: And Verizon agrees to that.

13 JUDGE WALLACE: Everyone was looking forward to
14 Phase 3, weren't they?

15 Okay. Does anyone have anything else?
16 Mr. Guerra, for the Company?

17 MR. GUERRA: Nothing from Verizon, Your Honor.

18 JUDGE WALLACE: And Mr. Lannon for Staff?

19 MR. LANNON: Nothing from Staff, Your Honor.

20 JUDGE WALLACE: Mr. Murphy?

21 MR. MURPHY: Nothing more from the IRCA, Your
22 Honor.

1 JUDGE WALLACE: And Mr. Keller?

2 MR. KELLER: No, sir, nothing else. Okay.

3 Thank you very much, everyone. This has certainly
4 been a good case I guess, and if there's nothing
5 further, the record will be marked Heard and Taken.
6 Thank you.

7 HEARD AND TAKEN

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